

Appendix 3

External Review Organization Review Process

Pre-Admission Review by Telephone

Refer to the Covered Services and Related Limitations chapter of this section for the types of admissions requiring pre-admission review (PAR). At the time the physician or hospital contacts the External Review Organization (ERO), an ERO nurse reviewer determines whether the admission is subject to review procedures and, if so, gathers information over the telephone regarding the patient's medical condition. The ERO reviewer uses Wisconsin Medicaid psychiatric/substance abuse (alcohol and other drug abuse) and medical/surgical criteria to determine whether on the basis of information provided the admission appears to be medically necessary. If the reviewer determines that the admission might be "suspect" (e.g., not medically necessary):

- The ERO reviewer informs the provider that the admission is suspect.
- The ERO "flags" the case for retrospective review.

A preliminary determination by the ERO that the medical necessity of the admission is "suspect" is made during the telephone review if the admission does not meet the criteria for admission *or* if there is not adequate information to determine whether the criteria are met.

The ERO issues a unique control number for all admissions at the time of the telephone review. Claims for admissions subject to this review process that do not have a control number are denied.

Complete medical record documentation is essential for the ERO at the time of the telephone interview and hospitalization. Physicians must be certain that the patient's record continually and adequately documents the recipient's condition and need for inpatient care.

Retrospective Medical Record Review

The ERO under contract with the Department of Health and Family Services (DHFS) routinely performs retrospective medical record review of "suspect" and other admissions identified by the DHFS. Review categories may include:

- Mental health/substance abuse.
- Medicaid fee-for-service hospital claims.
- Random samples.
- Readmission within 31 days.
- Short stays.
- Suspect PAR admissions.

If a case is selected for retrospective review, the ERO requests the recipient's medical record from the hospital. If upon retrospective review, the ERO determines that the admission or any portion of the inpatient stay was not medically necessary, the ERO informs the hospital and Wisconsin Medicaid of their final determination. All cases selected for review shall undergo quality of care review.